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REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES

Enhancing the internal oversight mechanisms in operational funds and programmes

Report of the Secretary-General

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I. INTRODUCTION

1. The present report has been produced, at the request of the Secretary-General, by the Office of Internal Oversight Services in response to the General Assembly's request for a detailed report by the Secretary-General containing recommendations on the implementation of General Assembly resolution 48/218 B of 29 July 1994 as it pertains to the internal oversight functions of the United Nations operational funds and programmes.

2. In pursuing this mandate, the Office contacted the funds and programmes to obtain information about their internal oversight mechanisms. In this context, OIOS has identified organizational structures and procedures established by the funds or programmes, or provided to them by the Office, which enable them to exercise internal oversight to varying degrees. This identification or stock taking of internal oversight in the funds and programmes was the first step in a process leading to the eight recommendations contained in paragraphs 44 to 51 of the present report. These recommendations suggest methods by which the Office can assist funds and programmes in enhancing their internal oversight mechanisms, as called for by the General Assembly in paragraph 11 of resolution 48/218 B. They have been drafted with a view towards enabling the Assembly to formulate a policy to be implemented by the governing bodies of the funds and programmes in question with regard to their oversight functions. They are made without prejudice to the independent authority of the Office of Internal Oversight Services under resolution 48/218 B to fulfil its responsibilities.

3. The Office has made every effort to actively involve all concerned entities in the different stages of the stock taking. To reinforce the accuracy of the observations, broaden the perspective of the analysis and corroborate the soundness of the recommendations, surveyed funds and programmes, and external entities were involved in the information gathering and verification process as well as the analysis of findings.

4. From January to December 1996, the Office, with the involvement of the Secretary-General and all executive heads, held consultations with the governing bodies of the funds and programmes, as requested by the General Assembly in paragraph 11 of resolution 48/218 B. In two cases where no formal meeting of a governing body was scheduled during 1996 (United Nations Centre for Human Settlements (UNCHS)/Habitat and the United Nations Environment Programme (UNEP)), informal consultations were carried out by the executive heads of these agencies, and all members of the governing bodies in question were given the opportunity, via mail poll, to comment on the draft report (for details on the consultation process see annex IV). The present report takes account of the result of those consultations as well as of pertinent developments which have emerged since the report was first issued in draft form.

5. While the present report was being prepared, several funds and programmes took measures to enhance their internal oversight services by establishing new, or restructuring their existing, internal oversight functions, or by initiating a closer cooperation with the Office. For example, the Governing Council of UNEP, in its decision 18/46 of 25 May 1995, expressed its desire to work closely with the Office and requested the Executive Director to formulate and enact, in

consultation with the Office, a specific plan of action to prevent waste, fraud and mismanagement. The Secretary-General welcomes these developments as they confirm that funds and programmes have recognized the necessity to strengthen their internal oversight functions. The Office, in acknowledging the evolving nature of the United Nations system, does not attempt to offer a definitive picture of recent developments but only seeks to indicate current trends.

II. SCOPE

6. The present report considers the following operational funds and programmes:

- International Trade Centre (ITC);
- United Nations Habitat and Human Settlement Foundation (UNCHS/Habitat);
- Fund of the United Nations International Drug Control Programme (UNDCP);
- United Nations Development Programme (UNDP);
- Fund of the United Nations Environment Programme (UNEP);
- United Nations Population Fund (UNFPA);
- Voluntary funds administered by the Office of the United Nations High Commissioner for Refugees (UNHCR);
- United Nations Children's Fund (UNICEF);
- United Nations Institute for Training and Research (UNITAR);
- United Nations Office of Project Services (UNOPS);
- United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- United Nations University (UNU);
- World Food Programme (WFP).

7. The legal status of these funds and programmes has been defined by or with the involvement of the General Assembly, and their executive heads are appointed by, or with the involvement of the Secretary-General. Furthermore, with the exception of the World Food Programme, they are all audited by the United Nations Board of Auditors.

8. Entities which are fully financed by the regular budget of the United Nations, such as the United Nations Conference on Trade and Development (UNCTAD), and those such as the International Research and Training Institute

for the Advancement of Women (INSTRAW), the United Nations Research Institute for Social Development (UNRISD) and the United Nations Institute for Disarmament Research (UNIDIR), which are financed by the trust funds administered by the United Nations, and hence are fully provided with internal oversight services of the Office of Internal Oversight Services, have not been addressed in the present report. Similarly, the United Nations Capital Development Fund, the United Nations Development Fund for Women (UNIFEM) and the United Nations Volunteers, which are financed by the trust funds administered by UNDP are considered as part of UNDP for purposes of the present report.

9. Under current arrangements, the Office of Internal Oversight Services provides all or part of the internal oversight services to the following funds and programmes: ITC, UNITAR, UNRWA, UNU, voluntary funds of UNHCR, Fund of UNEP, UNCHS/Habitat and Fund of UNDCP. Funds and programmes whose internal oversight functions are at present provided largely separate from OIOS are: UNDP, UNICEF, UNFPA, UNOPS and WFP.

III. METHODOLOGY

10. With a view to fulfilling the mandate laid down in paragraph 11 of General Assembly resolution 48/218 B, the resolution was analysed to extract those elements which defined the internal oversight function. A model of the internal oversight function was then developed which could be extended to the funds and programmes.

11. A questionnaire was then prepared and was sent in June 1995 to all entities concerned to obtain information which would allow the formulation of conclusions about the current status of internal oversight in the target funds and programmes.

12. Upon receipt of the replies to the questionnaire, the data were catalogued and verified with each fund and programme by the end of September 1995. Another verification of the data and update, where appropriate, was carried out in September 1996. Taking into account that individual operational funds and programmes have differing but equally viable organizational arrangements, the provision of oversight services was analysed with regard to:

(a) Adequacy, effectiveness and efficiency of services:

- Adequacy of oversight responsibilities with respect to execution of all components of the oversight function (audit, evaluation, monitoring and inspection, investigation);

- Adequacy of personnel and budgetary resources;

- Effectiveness of internal monitoring of the implementation of recommendations;

- Efficiency of oversight services through coordination among oversight functions;

- Effectiveness of designated organizational entity/person to receive allegations of waste, fraud and mismanagement;

- Adequacy of protection of staff members who make allegations/ report misconduct;

(b) Independence of oversight functions:

- Operational independence guaranteed by the organizational structure;

(c) Accountability to governing body:

- Accountability through regular, informative reports on developments of the oversight responsibilities with specific emphasis on reporting present findings as well as the implementation status of previous recommendations deriving from internal audits, evaluations, monitoring, inspections and investigations.

13. Finally, based on the analysis, certain recommendations were developed to enhance the oversight functions of the funds and programmes.

IV. ANALYSIS

A. Audit

14. The survey disclosed that all operational funds and programmes have long-established audit functions with a clearly defined scope of work. As one would expect, the quantity and scope of audits varies with the size and objectives of the funds and programmes. One common characteristic seems to be the pronounced emphasis on management and programme audits over financial statement audits, which fall traditionally in the domain of external auditors.

15. Though some units have been reorganized as recently as 1992 (and the Office of Internal Oversight Services itself was established in 1994), the organizational structure, reporting lines and internal reporting procedures were in all cases clearly defined. Audit services are generally provided by the Office of Internal Oversight Services to funds and programmes financed through the regular United Nations budget. In addition, the Office provides audit services to activities financed from sources outside the regular budget (ITC, UNCHS/Habitat, UNDCP, UNEP, UNHCR) through separately funded arrangements. The Office communicates findings and recommendations of internal audits to the audited entity and follows up on the implementation of audit recommendations.

16. Within all operational funds and programmes that have audit units separate from the Office, audit units report to the office of the executive head. The organizational arrangement that brings audit under the authority of the executive or the assistant executive head is in some cases the result of relatively recent reorganizations. These efforts towards reorganization reflect the common understanding that in order to provide objective, impartial and candid assessments, the audit unit has to be granted an adequate measure of operational independence from the entities subject to its scrutiny. In other

words, the audit function is to be divorced as much as possible from the administration of the entity.

17. In addition to the organizational structure, the survey looked at financial and human resources committed to the audit and evaluation functions. The commitment of resources should be viewed in the context of the operational scope of a fund or programme as this is the major determining factor for the allocation of resources for oversight services. From a general perspective, the commitment of financial resources to audit services is on average slightly higher than for evaluation services.[1] It can be observed as a general principle that operational funds and programmes extensively involved in humanitarian relief (e.g. UNHCR) have higher audit than evaluation budgets. In contrast, funds and programmes primarily concerned with strategic or long-term programmes and projects (UNICEF, ITC, UNFPA) are likely to have comparatively higher expenditure on evaluations.[2] Given the nature of humanitarian relief work, characterized by the necessity to respond to emergencies within an extremely short time-frame, and often involving substantial cash transfers to geographically remote areas, the need for forceful audit entities is apparent.

18. The Office of Internal Oversight Services is committed to employing its resources in the most efficient manner without compromising the integrity of its service. In particular, it will sound out the possibility of cooperation with audit services of United Nations operational funds, programmes and specialized agencies which are present in regions where it is engaged. The Office is willing to provide services for other members of the United Nations system, but will also rely on services provided more cost-efficiently by other entities as long as adherence to the standards of the Office is guaranteed. However, in view of the limited staff resources and financial constraints currently existing in the funds and programmes, such an arrangement does not seem feasible at this time.

B. Evaluation

19. Similar to audit, evaluation units are well established within all surveyed funds and programmes. However, the organizational structures are more diverse than in the case of audit. Within several funds and programmes, evaluation constitutes an integral part of the oversight function (UNCHS/Habitat, ITC, UNHCR, UNICEF, WFP), while in others (UNEP, UNDCP, UNDP, UNFPA) evaluation is integrated in the strategic planning process. Other organizational arrangements include the merging of evaluation and inspection functions (UNHCR), combining the evaluation unit with a research office (UNICEF) or pairing evaluation and monitoring functions (UNICEF, UNDP). UNHCR is also a good example of the diversity of the evaluation function. The agency was subject to an in-depth evaluation by the Committee for Programme and Coordination (CPC) in 1993 on the basis of an evaluation report by what is now the Central Evaluation Unit of the Office of Internal Oversight Services. Besides, the agency has had its own in-house evaluation function with a focus not only on field projects, but increasingly on broader policy issues such as urban refugees, institution-building, and staff security and stress, which complement the evaluation as performed by the Office. All these organizational arrangements are equally viable and reflect the differing focuses of the individual entities. An entity

that combines evaluation with inspection is more likely to view evaluation as a periodic but ad hoc procedure, while the philosophy underlying the integration of monitoring and evaluation stresses the continuity of the evaluation process.

20. With regard to financial resources committed to evaluation functions, those funds and programmes with long-term commitments or a strategic agenda (ITC, UNEP, UNDCP, UNICEF, UNFPA) have relatively high evaluation expenditure ratios, reflecting their need to evaluate programmes and cooperation projects to determine their effectiveness and efficiency. On the other hand, relief operations have received a lower level of expenditure as evaluations against set targets seem to have a more limited application in an emergency setting, though important "lessons learned" can and should also be derived from the evaluation of performance in this environment.

C. Monitoring

21. The monitoring function within OIOS is described in Secretary-General's bulletin ST/SGB/273 as providing assistance "in implementing the provisions of article V of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring and Implementation and the Methods of Evaluation on monitoring of programme implementation. The Office shall also ensure that monitoring and self-evaluation are viewed as an integral part of managerial responsibility for the efficiency and effectiveness of programme performance."

22. The survey indicated the existence of monitoring units in some funds and programmes whereas in others monitoring tasks are currently accomplished through other organizational units (e.g. evaluation) or are integrated into managerial functions. In general, it is not viewed as necessary that each organizational fund or programme establish a monitoring unit. In particular, smaller entities or entities with a limited operational scope would not derive a substantial benefit from a monitoring unit. Establishing a new unit could simply lead to the diversion of scarce resources. Instead, the Office will continue to promote the development and strengthening of the monitoring and self-evaluation functions as a managerial responsibility and stands ready to provide assistance with this task in a proactive manner.

23. Together with the Department of Administration and Management, the Office has embarked upon an effort to simplify programme monitoring and evaluation, including reporting to legislative bodies, with a view to transforming it from what is perceived as a cumbersome procedure of mere quantitative reporting to oversight bodies into a meaningful and effective tool for managers to review the performance of the function for which they are responsible. This reform effort will be carried out on the basis of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring and Implementation and the Methods of Evaluation (PPBME rules). It will encompass all entities within the global Secretariat as well as those funds and programmes which have so far participated in the central programme performance monitoring and reporting exercise.

D. Inspection

24. In the mandate of the Office of Internal Oversight Services, the scope of inspections is defined as "ad hoc inspections of programme and organizational units whenever there are sufficient reasons to believe that programme oversight is ineffective and that the potential for the non-attainment of the objectives and the waste of resources is great ... These inspections shall recommend to management corrective measures and adjustments as appropriate." Organizationally, the inspection function in the Office is part of the Monitoring and Inspection Unit, while the current arrangement in most funds and programmes gives the audit unit responsibility for inspections. The Office is concerned that the latter arrangement might prove inadequate in certain cases where specialized knowledge of inspectors is necessary or where resources from audit cannot be shifted quickly enough to address ad hoc inspection requirements. To address this concern, a "rapid reaction force" within the audit unit could be formally designated and trained to deal with ad hoc inspections.

25. In addition, in order to ensure inspection coverage throughout the Organization, the Office stands ready to cooperate with the funds and programmes, should they decide to call on its inspection team rather than establishing a permanent inspection unit.

E. Investigation

26. The Investigations Section of the Office of Internal Oversight Services was established to perform three general functions: to "investigate reports of violations of United Nations regulations, rules and pertinent administrative issuances and transmit to the Secretary-General the results of such investigations together with appropriate recommendations"; to "focus on assessing the potential within programme areas for fraud and violations ... in high-risk operations as well as offices away from headquarters"; and to "receive and investigate reports from staff and other persons engaged in activities under the authority of the Organization suggesting improvements in programme delivery and reporting perceived cases of possible violations of rules or regulations, mismanagement, misconduct, waste of resources or abuse of authority ... [S]taff members and others can make directly to the Office suggestions and reports which shall be received and handled in complete confidence" (emphasis added; see ST/SGB/273, paras. 16-18).

27. Of the surveyed funds and programmes, only WFP has established a unit that will carry out functions similar to those described above. The Office of Inspection and Investigation in the Office of the Executive Director was created in July 1995, and submitted its first annual report to the Executive Board in October 1996. While this initiative is noted, it is suggested that procedures, like those in place for the Office of Internal Oversight Services, should be established and publicized to ensure the confidential treatment for those who submit suggestions and reports to the Office of the Executive Director. The chosen organizational structure of that Office, that is, bringing into it the investigation unit, should provide an adequate measure of operational

independence, integrity and credibility, although consideration must be given to a direct reporting relationship with the governing body as well.

28. All of the other operational funds and programmes do not have a separate investigative unit. Under current arrangements, the Office of Internal Oversight Services will provide investigative services to all of these funds and programmes as necessary. However, if the Office is to provide effective coverage in this area, it will be necessary to designate additional resources from extrabudgetary sources to the budget of the Investigations Section for posts and travel. Such an arrangement would avoid adding significant overhead costs associated with establishing new units and guarantee the implementation of unified and equally professional standards among the participating agencies.

29. Based on the experience which the Office has accumulated to date, several additional posts, plus adequate travel funds, would be required to cover the additional workload in the area of investigations. The financial burden of these expenses would have to be shared among the participating agencies, i.e. those funds and programmes without an investigations unit of their own and to whom the Office would provide these services. The different size of respective annual budgets would have to be taken into account under this arrangement. In order to account for the actual usage of services of the Office during a given year, a reassessment of the cost sharing would have to be carried out at the end of each budget year.

30. If any entity should decide that an investigation unit must be created internally, organizational structures have to be put in place that ensure the operational independence of the new unit. The investigation unit could be placed in the Office of the Executive Head and report to the governing body to guarantee impartial investigation services. In this event, the unit would have to be staffed with a sufficient number of trained, professional investigators and develop procedures which ensure confidential reporting of information with protection afforded both to those who make reports in good faith and to those who are the subjects of reports.

31. Additionally, the unit would need to develop and implement transparent terms of reference and an operating manual so that both the investigators and the other staff of the agency are made fully cognizant of the authority, jurisdiction, responsibilities, reporting relationships (notably to the head of the agency) and procedures of the investigation office.

32. The Investigations Section of the Office stands ready to work with those funds and programmes that are planning to establish investigative units. This service could be consultative, providing advice on the structuring and requirements of such a unit and sharing information on the development of internal systems, procedures and controls.

F. Coordination among oversight functions

33. In addition to surveying the organizational structure and scope of work of the individual oversight functions, an attempt has been made in the present study to identify successful measures to enhance the cooperation among internal

oversight functions. Cooperation between oversight units can contribute to greater cost-efficiency and create synergies. Consequently, close cooperative ties should be maintained among these functions as well as with functions that are often related to the oversight function but may be organizationally located in a different functional entity (e.g., in strategic planning).

34. The study of the operational funds and programmes revealed little evidence that the cooperation among oversight units is approached in a systematic or even institutionalized fashion. Rather, cooperation is generally based on informal meetings. Diverse arrangements with varying degrees of institutionalization can be envisioned to coordinate the functioning of the oversight services. All funds and programmes that have not already done so should establish meetings to be attended by the heads or deputy heads of all oversight units including evaluation and potentially strategic planning. These meetings should be held at least monthly to discuss oversight issues of common interest and exchange relevant information.

35. Distinctive deviations from this general scheme exist within UNHCR and WFP, where internal audit committees[3] coordinate the general oversight process, and in UNDP, where a Management Review/Oversight Committee has been established recently. The purpose of that committee, according to its terms of reference, is to facilitate the process which provides the Administrator, and through him/her the Executive Board, with assurance that UNDP's accountability framework is operating effectively. The committee will meet formally four times each year to review, inter alia, long-term and annual plans for internal audit, review, self-assessment and evaluation of UNDP activities; to review the summary results of audits, reviews, control self-assessments and evaluations; and to review compliance with oversight recommendations. The Under-Secretary-General for Internal Oversight Services has been invited by the UNDP Administrator to become a permanent member of the committee and to participate in the meetings.

36. From an oversight perspective, the UNDP arrangement can be seen as a model which should, mutatis mutandis, be institutionalized in all larger funds and programmes. This would allow the Office of Internal Oversight Services to play a proactive role in coordinating and in promoting unified and equally high standards of oversight throughout the Organization.

G. Monitoring of implementation of recommendations

37. The effectiveness of internal oversight services can be dramatically enhanced by instituting effective procedures for monitoring the implementation of recommendations. Currently, the Office has one Compliance Officer in the Office of the Under-Secretary-General, responsible for the coordination of monitoring the status of the implementation of recommendations. The Office prepares a semi-annual report on the implementation of recommendations and the status of compliance with earlier recommendations by those entities that come under the authority of the Secretary-General. This internal report is submitted to the Secretary-General.

38. Implementation of agreed recommendations should be verified by the relevant internal oversight personnel. All funds and programmes have stressed that

implementation of recommendations is monitored during subsequent reviews. This procedure can be enhanced by continuing the dialogue established with the addressee during the review process until all the recommendations are implemented. Therefore, it is strongly recommended that funds and programmes with independent oversight functions develop a mechanism for continually monitoring the implementation of recommendations. In addition, clear procedures should be established to address non-compliance with an approved implementation schedule and reporting to the executive head on the status of implementation of recommendations.

H. Reporting procedures

39. Closely related to monitoring implementation is the procedure for reporting to intergovernmental bodies on findings and the implementation status of previous recommendations. This procedure demonstrates to the intergovernmental body and other interested parties that the organization itself is constantly striving to use its resources effectively and efficiently.

40. The Office of Internal Oversight Services submits to the Secretary-General for transmittal to the General Assembly an annual analytical and summary report on its activities. This annual report includes, inter alia, a description of significant findings and recommendations for corrective action made by the Office during the reporting period and an identification of each significant recommendation in previous reports on which corrective action has not been completed (ST/SGB/273, para. 28).

41. The present review has found that most of the oversight functions of the funds and programmes are lacking adequate reporting procedures as also noted by the Joint Inspection Unit in their report entitled "Accountability, management improvement and oversight in the United Nations system" (A/50/503/Add.1). Although oversight issues, in particular reports by the Board of External Auditors, are frequently or even regularly (e.g., UNHCR) on the agendas of governing bodies, reports from internal oversight units are not given the prominence and attention they require in order for an independent internal oversight to be effective. It is therefore recommended that the reporting procedures of funds and programmes follow similar lines as established for reports of the Office to the General Assembly (see paragraph 5 (e) of resolution 48/218 B). The internal oversight units, in particular the audit units, should be authorized to submit, through their respective executive heads, periodic comprehensive reports and ad hoc reports on specific issues to their governing bodies. Likewise, if the Office provides internal oversight functions or reviews to a particular fund or programme, reports emanating from this should also be made available to the respective governing body by the executive head upon request from the Under-Secretary-General for Internal Oversight Services together with the comments of the executive head, as appropriate. In the case of UNRWA, which reports directly to the General Assembly and has a separate audit function, it is suggested that significant audit reports should be submitted to the General Assembly after consultation with the Office. For ITC, UNCHS/Habitat and UNDCP, there are established reporting lines to intergovernmental bodies which are not within the strict definition of governing bodies, but which could assume this role for purposes of accountability.

42. Following the underlying philosophy of General Assembly resolution 48/218 B, it would seem appropriate that the Assembly, as the highest legislative and oversight body of the Organization, should be kept informed on a regular basis and in a concise fashion about the effectiveness of internal oversight in the various parts of the Organization. This could be achieved through a summary report which would be compiled and coordinated by the Office of Internal Oversight Services and submitted to the General Assembly in accordance with paragraph 5 (e) (ii) of resolution 48/218 B. The report would be based on submissions from the operational funds and programmes which would be forwarded to the Office by their executive heads after discussion and approval, as appropriate, by the respective governing bodies.

43. In order to further strengthen a unified approach to internal oversight throughout the Organization, the above-mentioned report should be submitted to the General Assembly together with comments, if any, by the Office of Internal Oversight Services. The comments of the Board of Auditors and the Joint Inspection Unit would be solicited, as appropriate, as stipulated in resolution 48/218 B. In order to enable the Office to provide its comments, the annual work plans of the funds' and programmes' internal oversight units should be transmitted to the Office for information, together with copies of final reports issued by those units. Furthermore, it is understood that, in accordance with its Organization-wide mandate, the Office would carry out reviews of internal oversight units whenever there are sufficient reasons to believe that oversight mechanisms are ineffective, and otherwise as the Under-Secretary-General for Internal Oversight Services deems appropriate. Such reviews would recommend to the executive head of the fund or programme corrective measures and adjustments as appropriate.

V. RECOMMENDATIONS

Recommendation 1

44. The results of our survey indicated the existence of dedicated monitoring units in some funds and programmes, whereas in others the monitoring tasks are accomplished through other organizational units. In view of the refocusing of programme performance monitoring and evaluation as promoted by the Office of Internal Oversight Services, it is recommended that the monitoring concept be viewed and developed as part of the managerial responsibility. Whatever organizational structure has been used to perform the monitoring tasks, its function should be modified to that of a facilitator, gathering the appropriate data and, most importantly, independently analysing and reporting on the implementation of programme activities. Furthermore, the Office's guidelines on programme monitoring and evaluation should be embraced as a minimum requirement and implemented by those funds and programmes which have certain deficiencies in these areas.

Recommendation 2

45. The current arrangement gives the audit unit responsibility for the inspection function in most funds and programmes. In the experience of the Office, specialized knowledge of the area to be inspected has been essential in

forming the inspection team. Additionally, the inspection team must frequently be assembled on short notice, in reaction to a perceived problem. In order to address these two key components of inspection, it is recommended that consideration be given to forming separate inspection units in the larger funds and programmes. Where this is not practical, an inspection team should be formed within the audit unit which is trained to deal with these specialized tasks. The Office also offers its assistance should a fund or programme decide not to establish its own inspection function.

Recommendation 3

46. Of the surveyed funds and programmes, only WFP has established a unit similar to the Office's Investigations Section. Currently, the Office provides investigation services to any fund or programme if requested and the necessary priority is established. In order to provide more effective coverage, resources must be allocated by the individual fund or programme to the budget of the Investigations Section. However, the decision to carry out an investigation must not be subject to the availability of resources. For those entities which decide to establish their own investigation function, the operational independence of the unit needs to be ensured along with the development of a confidential reporting facility and procedures to protect those who make reports in good faith or are the subject of such reports.

Recommendation 4

47. The study of the operational funds and programmes determined that in most instances cooperation among oversight units is approached in a rather informal manner. It is recommended that regular monthly meetings be held among the heads of the oversight units and other units performing the designated oversight functions to discuss oversight issues and exchange information. It is further recommended that periodical meetings be held in all funds and programmes between internal oversight units and management at the executive level to address issues of planning and coordination of, and compliance with recommendations resulting from internal oversight activities.

Recommendation 5

48. Surveyed funds and programmes have stressed that the implementation of recommendations from internal oversight activities is monitored during subsequent reviews. The effectiveness of the oversight function can be increased if more emphasis is placed upon ensuring the timely implementation of recommendations. Therefore, it is strongly recommended that internal oversight units in the funds and programmes should develop a mechanism for continually monitoring the implementation of their recommendations. This mechanism should include procedures for addressing non-compliance and reporting on the status of implementation to the executive head.

Recommendation 6

49. The results of the present survey indicate that most of the funds and programmes are lacking adequate reporting procedures. It is recommended that the reporting procedures of funds and programmes follow similar lines as those

established for the Office of Internal Oversight Services in paragraph 5 (e) of resolution 48/218 B. Therefore, internal oversight units should be authorized to submit, through their respective executive heads, periodic comprehensive reports and ad hoc reports on specific issues to their governing bodies. Reports of the Office pertaining to a particular fund or programme should be made available by its executive head to its governing body, upon request from the Under-Secretary-General for Internal Oversight Services, together with the comments of the executive head, as appropriate.

Recommendation 7

50. In order to further strengthen and unify reporting procedures, the Secretary-General recommends complementing the reporting line of the Office of Internal Oversight Services to the General Assembly with a report which contains summary records on internal oversight issues of each operational fund and programme. The sub-parts of the summary report would be drafted by the individual entities, making every effort to avoid duplication of reporting; they would also be submitted to the governing body for review and approval before being transmitted to the Office. The report would provide a tool for the General Assembly to monitor internal oversight activities within the individual organizations and provide a comprehensive overview of the achieved improvements and areas of concern to be addressed in the future.

Recommendation 8

51. In view of its responsibility for the enhancement of internal oversight mechanisms in the operational funds and programmes as well as its coordinating role, the Office of Internal Oversight Services should have the authority to seek and obtain any relevant information, specific or general, from the internal oversight entities or the concerned executive heads. It should also have the right to comment, if necessary, on the quality and adequacy of the oversight activities of funds and programmes as they would be reported to the General Assembly following recommendation 7 above.

Notes

[1] This comparison has limitations as the evaluation budget does in some cases comprise other functions (e.g., in the case of UNHCR inspection functions) and in some instances additional sources of funding exist (e.g., in the case of UNFPA project funds are used for mandatory annual project audits). Yet this comparison arrives at a rough indication of the relative emphasis placed on audit and evaluation functions.

[2] Note that UNDP's expenditure does not follow this characterization; neither does UNEP and UNCHS/Habitat.

[3] Internal audit committees are usually composed of the heads of the oversight units as well as other division/bureau heads. A similar arrangement exists for UNFPA, where audit, evaluation and monitoring issues are reviewed and discussed regularly by the UNFPA Executive Committee, chaired by the Executive Director (members include all senior management).

Annex I

GENERAL OVERVIEW

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	◦ **Location of Headquarters** ◦ **Year of Founding** ◦ **Number Professional Staff (posts in 1994-95)** ◦ **Number General Service Staff (posts in 1994-95)** ◦ **Number Local Level Staff (posts in 1994-95)** ◦ **Number of Offices/Missions**	**Sources of Funding (Thousands of US$, 1994-95)** ◦ ◦ **Regular Budget** ◦ ◦ **Extrabudgetary Funds (including Voluntary Contributions)** **Total Budget**	**Legislative Authority** ◦ **Governing Body** ◦ **Appointment of head of entity**
ITC	◦ Geneva, Switzerland ◦ 1964 ◦ 77 Professionals ◦ 100 General Service (excluding field-based project personnel) ◦ No Field Offices	◦ ◦ Regular Budget: 21,642.0 (UN share)* ◦ ◦ Regular Budget: 21,642.0 (WTO share)* ◦ ◦ Income: 764.0* ◦ ◦ Extrabudgetary: 43,818.0* Total Budget: 87,866.0* * 1996/97 figures	◦ Joint Advisory Group/ECOSOC and General Council WTO ◦ Executive Director is appointed jointly by Secretary-General and Director General of WTO
UNCHS/ Habitat	◦ Nairobi, Kenya ◦ 1977 ◦ 97 Professionals ◦ 2 General Service ◦ 116 Local Level ◦ 8 Offices Worldwide, plus Headquarters	◦ ◦ Regular Budget: 14,949.5 ◦ ◦ Extrabudgetary: 91,697.0 Total Budget: 106,646.5	◦ ECOSOC/General Assembly ◦ Executive Director is appointed by Secretary-General
UNDCP	◦ Vienna, Austria ◦ 1990 ◦ 135 Professionals ◦ 76 General Service ◦ 86 Local Level ◦ 21 Offices, including Headquarters	◦ ◦ Regular Budget: 16,409.4* ◦ ◦ Extrabudgetary: 152,448.5* Total Budget: 168,857.9* * 1996/97 figures	◦ Commission on Narcotic Drugs/ECOSOC/General Assembly ◦ Executive Director is appointed by Secretary-General
UNDP	◦ New York, USA ◦ 1966 ◦ 912 Professionals ◦ 581 General Service ◦ 3,398 Local Level ◦ 129 Country Offices ◦ 6 Liaison Offices	◦ ◦ Voluntary Contributions: 1,896,000 ◦ ◦ Cost-sharing: 1,076,000 ◦ ◦ Trust Funds: 355 ◦ ◦ Other: 130,000 Total Contributions and Income: 3,457,000	◦ Executive Board/ECOSOC/General Assembly ◦ Administrator is appointed by the Secretary-General

	◦ **Location of Headquarters** ◦ **Year of Founding** ◦ **Number Professional Staff (posts in 1994-95)** ◦ **Number General Service Staff (posts in 1994-95)** ◦ **Number Local Level Staff (posts in 1994-95)** ◦ **Number of Offices/Missions**	**Sources of Funding (Thousands of US$, 1994-95)** ◦ ◦ **Regular Budget** ◦ ◦ **Extrabudgetary Funds (including Voluntary Contributions)** **Total Budget**	**Legislative Authority** ◦ **Governing Body** ◦ **Appointment of head of entity**
UNEP	◦ Nairobi, Kenya ◦ 1972 ◦ 379 Professionals ◦ 6 General Service ◦ 540 Local Level ◦ 5 Regional Offices, 10 other Offices, 4 Convention Secretariat	◦ ◦ Regular Budget: 13,935.2 ◦ ◦ Extrabudgetary: 248,264.3 Total Budget: 262,199.5	◦ Governing Council/ECOSOC/General Assembly ◦ Executive Director is elected by the General Assembly on nomination by the Secretary-General
UNFPA	◦ New York ◦ 1966 ◦ 124 National Professionals ◦ 180 International Professionals ◦ 396 Other Local Staff ◦ 94 Offices (excluding Headquarters)	◦ ◦ Regular Budget: 578,000 ◦ ◦ Extrabudgetary: 26,200 Total Contributions and Income (1994-95): 604,200	◦ UNDP Executive Board/ECOSOC/General Assembly ◦ Executive Director is appointed by the Secretary-General
UNHCR	◦ Geneva, Switzerland ◦ 1951 ◦ 1,194 Professionals ◦ 3,109 General Service ◦ 250 Offices (15 Regional Offices, 100 Country Level Offices, 135 Local Level Offices)	◦ ◦ Regular Budget: 48,719 ◦ ◦ Voluntary Contributions: 2,434,798 Total Budget: 2,483,517 (current estimates)	◦ Executive Committee/ECOSOC/General Assembly ◦ High Commissioner is elected by the General Assembly on nomination by the Secretary-General
UNICEF	◦ New York, USA ◦ 1946 ◦ 6,496 Total Staff ◦ 234 Offices (including Headquarters, 6 Regional Offices, 20 Area Offices, 67 Country Offices)	Total Contributions and Income: 1,997,000	◦ Executive Board/ECOSOC/General Assembly ◦ Executive Director is appointed by the Secretary-General
UNITAR	o Geneva o 1963 o 20 staff members and 3 research fellows o 7 local level staff o Center in Edmonton (Canada) and liaison office in NY	◦ ◦ Regular Budget: nil ◦ ◦ Voluntary Contributions: 7,980 Total Budget: 7,980	o Board of Trustees o Executive Director appointed by the Secretary-General following consultation with the Board
UNOPS	◦ New York ◦ 1995 ◦ 91 Professionals ◦ 154 General Service ◦ None ◦ 3 Outposts	◦ ◦ Regular Budget: 59,254 ◦ ◦ Extrabudgetary: None Total Budget: 59,254	◦ UNDP Executive Board/ECOSOC/General Assembly ◦ Executive Director is appointed by the Secretary-General

	◦ **Location of Headquarters** ◦ **Year of Founding** ◦ **Number Professional Staff (posts in 1994-95)** ◦ **Number General Service Staff (posts in 1994-95)** ◦ **Number Local Level Staff (posts in 1994-95)** ◦ **Number of Offices/Missions**	**Sources of Funding (Thousands of US$, 1994-95)** ◦ ◦ **Regular Budget** ◦ ◦ **Extrabudgetary Funds (including Voluntary Contributions)** **Total Budget**	**Legislative Authority** ◦ **Governing Body** ◦ **Appointment of head of entity**
UNRWA	◦ Vienna, Austria ◦ 1950 ◦ 179 International Professionals ◦ 766 Senior (Professional) Local Area Staff ◦ 10 International General Service ◦ 19,636 Local Level (excl. Senior Local Area Staff) ◦ 3 Headquarters Offices, Operations in 5 Fields	◦ ◦ Regular Budget: 2,350.3 ◦ ◦ Extrabudgetary: 689,071.7 Total Budget: 710,422.0	◦ General Assembly ◦ Commissioner-General is appointed by the Secretary-General
UNU	o Tokyo o 1972 o total staff: 156 o 5 Institutes/Programmes	Volutary Contributions Total Budget: 66,568	o Council o Rector is appointed by the Secretary-General after consultation with UNESCO Director-General and with his concurrence
WFP	◦ Rome, Italy ◦ 1961 ◦ 773 Professionals (including 373 Local Professionals) ◦ 1,026 General Service (including 759 Local General Service) ◦ 85 Country Offices	Total Contributions and Income: 3,902,400	◦ Committee on Food Aid Policies and Programmes/ECOSOC ◦ Executive Director is appointed by the Secretary-General

Annex II

Table 1

AUDIT FUNCTION
United Nations Operational Funds and Programmes

	INTEGRAL AUDIT UNIT	◦ AUDIT UNIT ◦ LOCATION ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF AUDIT UNIT ◦ # PROFESSIONAL STAFF POSTS (EXCLUDING HEAD)	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS	PROCEDURE FOR MONITORING IMPLEMENTATION OF AUDIT RECOMMENDATIONS
ITC	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal**: Findings are brought to the attention of senior management and the individual divisions/ sections concerned. **External:** UN Board of Auditors.	OIOS monitors implementation of recommendations.
UNCHS/ Habitat	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal:** Final audit reports are addressed to Executive Head. **External:** UN Board of Auditors.	OIOS monitors implementation of recommendations.
UNDCP	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal**: Final audit reports are addressed to Executive Head. **External**: UN Board of Auditors. **Governing Body**: Commission on Narcotic Drugs is informed through regular reporting, including Annual Report of the Executive Director and budgetary reports.	OIOS monitors implementation of recommendations.
UNDP	YES	◦ Division for Audit and Management Review (DAMR) ◦ New York ◦ 1982	◦ D-2 ◦ 17 Professionals ◦ 3 General Service audit examiner posts	Audit unit reports to the UNDP Administrator.	**Internal**: All audit reports are submitted to UNDP Associate Administrator, in case of major adverse findings, Administrator may contact auditee for response/actions. **External**: UN Board of Auditors. **Governing Body**: Reporting of audit findings to the Executive Board remains at the discretion of the Administrator, unless otherwise requested by Board. An annual report on internal oversight will be presented to the Executive Board on a yearly basis, beginning in 1997.	Audit unit monitors implementation of recommendations; checks on implementation of recommendations as standard procedure for subsequent audits.
UNEP	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal:** Final audit reports are addressed to Executive Head. **External:** UN Board of Auditors.	OIOS monitors implementation of recommendations.
UNFPA	YES	◦ UNFPA Internal Audit Section, UNDP/DAMR ◦ New York ◦ 1993 (prior to 1993 provided by DAMR)	◦ P-5 ◦ 1 Professional	Chief of audit unit reports to UNDP/DAMR, as well as to UNFPA Executive Director.	**Internal**: DAMR addresses reports to UNFPA Deputy Executive Director (Policy and Administration). **External:** UN Board of Auditors. **Governing Body:** Executive Board is informed of audit reports by UNFPA Executive Director. An annual report on internal oversight will be presented to the Executive Board on a yearly basis, beginning in 1997.	UNFPA monitors implementation of recommendations.
UNHCR	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal**: Final audit reports are addressed to Controller of UNHCR. **External:** UN Board of Auditors.	OIOS monitors implementation of recommendations.

	INTEGRAL AUDIT UNIT	◦ AUDIT UNIT ◦ LOCATION ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF AUDIT UNIT ◦ # PROFESSIONAL STAFF POSTS (EXCLUDING HEAD)	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS	PROCEDURE FOR MONITORING IMPLEMENTATION OF AUDIT RECOMMENDATIONS
UNICEF	YES	◦ Office of Internal Audit ◦ New York ◦ 1948	◦ D-2 ◦ 12 Professionals	Audit unit reports to Office of the Executive Director.	**Internal**: Internal Audit Reports are addressed to auditees and relevant units; executive summary is submitted to Executive Head. **External**: UN Board of Auditors. **Governing Body**: Audit and investigations reports have been given to Executive Board in special cases.	Internal Audit Committee follows implementation on a selective basis, follow-up audits address implementation of agreed actions and actions equired.
UNITAR	NO	[OIOS]		Board of Trustees Secretary-General General Assembly	**Internal**: Final Audit reports are addressed to the Executive Head. **External**: UN Board of Auditors.	OIOS monitors implementation of recommendations. Board of Auditors (Res. 50/204 dated 23 Dec. 1995) ACABQ (Res. 48/216B dated 23 Dec. 1995)
UNOPS	YES	◦ Project Services Audit Section, UNDP/DAMR ◦ 1989 ◦ New York	◦ P-5 ◦ 4 Professionals (of which 2 dedicated to audit of Management Service Arrangements funded by World Bank) ◦ 2 General Service audit examiner posts	Audit unit reports to UNDP/DAMR.	**Internal**: DAMR submits reports to the UNOPS Executive Director. **External**: Management Services Agreements Audits are submitted by the Executive Director to involved governments and the World Bank. **Governing Body**: An annual report on internal oversight will be presented to the Executive Board on a yearly basis, beginning in 1997.	Procedures for monitoring implementation of recommendations in preparation.
UNRWA	YES	◦ Internal Audit Office (Office of Commissioner-General) ◦ Amman ◦ 1950	◦ P-5 ◦ 6 Professionals (replaced by area staff upon relocation of UNRWA Audit Unit from Vienna to Amman)	Chief, Internal Audit Office, reports to the Commissioner-General, General Assembly.	**Internal**: Final reports are submitted to Commissioner-General, who asks officials concerned for action. **External**: UN Board of Auditors.	UNRWA audit unit follows up on implementation and sets target dates; subsequent audits establish whether recommendations were implemented; audit unit acts as focal point to ensure implementation of recommendations by external auditors and reports on follow-up action on such recommendations twice a year.
UNU	NO	[OIOS]		[Secretary-General/ General Assembly]	**Internal**: Final Audit reports are addressed to the Executive Head. **External**: UN Board of Auditors.	OIOS monitors implementation of recommendations.
WFP	YES	◦ Office of Internal Audit ◦ Rome ◦ 1985	◦ D-1 ◦ 7 Professionals	Audit unit reports to Office of the Executive Director.	**Internal**: Audit Reports are addressed to offices (at Directors' level) responsible for implementing audit recommendations; copies to Executive Director, Deputy Executive Director. **External**: External Auditors receive reports of internal audit findings and are responsible for conveying audit findings and recommendations to oversight bodies of the Programme. **Governing Body**: CFA receives status reports periodically.	Audit unit monitors implementation of recommendations; quarterly reports on status of implementation submitted to Audit Committee, which follows up on non-implementation.

Table 2

EVALUATION FUNCTION

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	INTEGRAL EVALUATION UNIT	◦ EVALUATION UNIT ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF EVALUATION UNIT ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS	PROCEDURE FOR MONITORING IMPLEMENTATION OF EVALUATION RECOMMENDATIONS
ITC	YES	◦ Corporate Strategy and Quality Assurance Unit, Office of the Executive Director ◦ 1996	◦ P-5 ◦ 2 Professionals, including one (P-4) dealing exclusively with evaluation	Reports to Executive Director. For programme evaluations, external consultants report directly to JAG.	**Internal**: Evaluation reports and analyses of lessons learned are sent to all chiefs of operational units. **External**: Annual Report includes a section of evaluation activities.	Recommendations of programme evaluations are monitored by the Senior Evaluation Officer, at project level procedure is currently being reviewed and improved.
UNCHS/ Habitat	YES	◦ Evaluation Officer, Office of the Executive Director ◦ 1984	◦ P-4 (post is vacant since 1992, heads of Division carry out function)	Evaluation Officer reports to the Director of Programme Coordination.	UNCHS issues reports to Central Evaluation Unit, OIOS.	
UNDCP	YES	◦ Planning and Evaluation Section, Office of External Relations, Strategic Planning and Evaluation	◦ P-5 ◦ 2 Professionals	Planning and Evaluation Section reports to Office of External Relations; Strategic Planning and Evaluation reports to Executive Director.	**Internal**: Findings and recommendations are summarized and referred to Executive Director; database contains summary of all evaluations. **External**: Individual project evaluations are shared with executing agencies and recipient countries and discussed at tripartite review meetings. **Governing Body**: Annual report and ad hoc reporting by Executive Director to Commission on Narcotic Drugs.	Follow-up by Planning and Evaluation Section (PES); report to Executive Director, should implementation of decisions encounter difficulties.
UNDP	YES	◦ Office of Evaluation and Strategic Planning (in Office of the Administrator), former Central Evaluation Office (1983-94) ◦ 1994 (formerly Central Evaluation Office (1983-1994)	◦ D-2 ◦ 5 Professionals	Evaluation system is decentralized at the project level. Country Offices report to Regional Bureaus, these report to the Office of Evaluation and Strategic Planning and its Director reports to the Administrator.	**Internal**: OESP disseminates findings and lessons learned through series of publications. **External**: Publishes annually since 1994 "Evaluation Findings", reports on major strategic, thematic and programmatic evaluations are also available separately. **Governing Body**: Annual report by Administrator and by Director OESP to Executive Board.	Office of Evaluation and Strategic Planning uses Corporate Plan mechanism for monitoring implementation of strategic evaluation recommendations.

	INTEGRAL EVALUATION UNIT	◦ EVALUATION UNIT ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF EVALUATION UNIT ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS	PROCEDURE FOR MONITORING IMPLEMENTATION OF EVALUATION RECOMMENDATIONS
UNEP	YES	◦ Project Design and Evaluation Unit in the Corporate Planning and Accountability Service ◦ 1994 (previously Follow-up and Evaluation Unit)	◦ P-5 ◦ 2 Professionals	Project Design and Evaluation Unit reports through Chief, Corporate Planning and Accountability Service, and Director, Programme Support Services, to Executive Director	Annual evaluation report is submitted to Governing Council	Responsibility of programme managers; Project Design and Evaluation Unit follows up on implementation on a semi-annual basis; quarterly evaluation monitoring report is submitted to Executive Committee
UNFPA	YES	◦ Evaluation Branch, Technical and Evaluation Division ◦ 1972 ◦ Office of Oversight and Evaluation (since 1996)	◦ D-1 ◦ 4 Professionals	The Office of Oversight and Evaluation reports directly to the Executive Director	**Internal**: Evaluation reports are reviewed at country level with Country Support Teams and Geographical Divisions at HQ; thematic evaluations are reviewed by agency/institution under evaluation and are reported to UNFPA Programme Committee; findings and recommendations of thematic evaluations are reported to UNFPA Policy and Planning Committee; findings and recommendations of Policy Application reviews are reported to the Executive Director. **External**: Publication of evaluation reports. **Governing Body**: Biennial report to Executive Board.	Monitoring takes place at field and HQ levels, with particular attention to the application of evaluation findings and recommendations during the review of proposed projects and programmes.
UNHCR	YES	◦ Inspection and Evaluation Service (in the Executive Office of the High Commissioner) ◦ March 1995	◦ D-2 ◦ 4 Professionals	Reports directly to High Commissioner.	**Internal**: Recommendations and conclusion are presented to High Commissioner for decision and follow-up; reports are distributed to Senior Management Committee and concerned Representatives, managers at HQ and in countries concerned. **Governing Body**: Annual report to Executive Committee, entitled 'UNHCR inspection and evaluation activities'; Standing Committee considers 'Reports relating to oversight'.	Procedures not yet developed for IES.
UNICEF	YES	◦ Evaluation and Research Office (under Deputy Executive Director) ◦ 1987	◦ D-1 ◦ 6 Professionals (5 consultants)	Regional Monitoring and Evaluation Officers report to Deputy Regional Director; Director, Evaluation and Research Office at HQ reports to Deputy Executive Director, Programmes.	**Internal**: Database feeds back results to the field, management and planning process, Newsletter (2-3 issues p.a.) with findings/research reports. **External**: Biennial report to Executive Board; ad hoc reports to interested parties; newsletter.	By Country Office representative (Evaluation database includes summary of follow-up actions undertaken to implement recommendations).

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	INTEGRAL EVALUATION UNIT	◦ EVALUATION UNIT ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF EVALUATION UNIT ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS	PROCEDURE FOR MONITORING IMPLEMENTATION OF EVALUATION RECOMMENDATIONS
UNITAR	NO				**External**: ACABQ (yearly). Evaluation of programme impacts conducted occasionally by bilateral donors. **Governing Body**: Board of Trustees (twice per year)	Report to Board of Trustees.
UNOPS	NO	◦ Project/programme funding organization	n.a.	n.a.	Copies of projects and programme reports are forwarded by the evaluating party(ies) to the Executive Director; if UNDP Office of Evaluation and Strategic Planning performs/participates in project evaluation, reports are submitted to Executive Director.	Under responsibility of funding organization and recipient government. UNOPS Deputy Executive Director initiates and supervises implementation.
UNRWA	YES	◦ Programme Planning and Evaluation Office, (Office of the Commissioner-General) ◦ 1988	◦ P-5 ◦ 4 Professionals	Chief, Programme Evaluation and Planning Office, reports to the Commissioner-General.	PPEO submits reports to Commissioner-General.	By secretariat of organizational body concerned.
UNU	NO	◦ Evaluations carried out by external experts		Reports are submitted to the Rector.	Rector presents evaluation reports to UNU Governing Council for consideration and comments.	
WFP	YES	◦ Office of Evaluations (OEDE) in the Office of the Executive Director ◦ 1969	◦ D-1 ◦ 8 Professionals	OEDE reports directly to Office of Executive Director.	**Internal**: OEDE addresses reports to Office of the Executive Director who transmits reports with comments by government concerned to CFA. WFP Country Office has to report on follow-up action. Project Committee considers evaluation reports. **External**: Evaluation findings and recommendations are discussed with governments. **Governing Body**: Receives printed reports on all evaluation exercises.	

Table 3

MONITORING FUNCTION

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	INTEGRAL MONITORING UNIT	UNIT IN CHARGE OF MONITORING	◦ LEVEL OF HEAD OF MONITORING ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	SCOPE OF MONITORING	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR MONITORING FINDINGS
ITC	YES	Corporate Strategy and Quality Assurance Section (CSQAS)	◦ P-5	Operational units are responsible for monitoring programmes and specific projects. CSQAS facilitates discharge of this responsibility and ensures corporate monitoring.	CSQAS reports to the Executive Director.	**Internal:** CSQAS prepares ad hoc reports for Senior Management Meetings. **External:** Comments made in Annual Report as appropriate.
UNCHS/ Habitat	NO	1) Technical Cooperation Division 2) Heads of substantive Divisions		Ongoing monitoring through monthly Unit and Programme Coordinator Meetings, Project Monitoring Reports; regular monitoring visits for Human Settlement Advisors, yearly Tripartite Reviews; terminal report determines the extent to which objectives have been met.		Technical Cooperation Division issues Quarterly Report to Senior Managers; Heads of substantive Divisions furnish reports to Central Evaluation Unit, OIOS.
UNDCP	YES, but not unified.	1) Programme Support Section (PSS) 2) Operational Activities Branch (OAB), Division for Operational Activities and Technical Services (DOATS)	◦ D-1 (OAB)	PSS develops and ensures adherence to policies and procedures for control and management of financial resources to enhance internal controls, accountability, efficiency and consistency with rules and regulations, monitors performance analyses, provides financial information; OAB monitors, analyses and reports on resource utilization of the fund on the basis of information provided by PSS.	PSS reports to Deputy Executive Director, Division for Treaty Implementation and Support Services; OAB reports to Deputy Executive Director DOATS, both Deputy Directors report to the Executive Director.	
UNDP	NO	Office of Evaluation and Strategic Planning (in Office of the Administrator), former Central Evaluation Office	◦ D-2 ◦ 5 Professionals	◦ Monitors overall performance against goals of Annual Corporate Plan. ◦ Defines policies and procedures for monitoring of programme and project implementation. ◦ Develops tools for Programme Impact Performance Assessment. ◦ Issues quarterly publication.	Director of OESP reports to Administrator.	OESP prepares reports for Executive Board, Administrator and Senior Management.

	INTEGRAL MONITORING UNIT	UNIT IN CHARGE OF MONITORING	◦ LEVEL OF HEAD OF MONITORING ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	SCOPE OF MONITORING	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR MONITORING FINDINGS
UNEP	YES, but not in a single unit.	1) **Programmatic**: Accountability, Monitoring and Reporting (AMR), Corporate Planning and Accountability Services 2) **Project finances and outputs**: Fund Programme Management Branch (FPMB) 3) **Administrative**: Programme Support Services (PSS)		◦ AMR monitors implementation of programme ◦ FPMB monitors implementation of individual projects in terms of outputs and expenditures, and audit/evaluation recommendations. ◦ PSS monitors expenditure from regular budget and programme support costs including audit matters relating to them.	Chiefs CPAS and FPMB report to Director of PSS, who reports to Executive Director	UNEP reports to Central Monitoring and Inspection Unit at UN/HQ through programme performance reports; FPMB reports to the Executive Director/ Executive Committee through monthly status of the Fund reports and a similar report is sent quarterly to Committee of Permanent Representatives; PSS reports to the Executive Director/Executive Committee with monthly budget performance reports
UNFPA	NO	1) Geographical Divisions at HQ 2) Country Offices		Project monitoring is based on project work plans, Annual Project Reports, Annual Project Review Meetings and audit/financial reports. monitoring of country programmes includes status of implementation reports and mid-term reviews; larger programmes may be reviewed annually. Regular technical monitoring and backstopping is provided by Country Support Teams. The Geographical Divisions at HQ are to undertake monitoring visits to each Field Office at least once per year.	Field Offices and Country Support Teams report to Geographical Divisions which report to Deputy Executive Director (Programme). Semi-annual reports from each Office are provided directly to the Executive Director	Project and programme monitoring is undertaken on a continuous basis by Field Offices and Country Support Teams, under the supervision of Geographical Divisions at HQ. The findings of mid-term Country Programme reviews are reported to the Programme Review Committee
UNHCR	NO	1) HQ Bureaus and Desks 2) HQ Finance and Budgeting Section 3) Field staff		Programme Officer, Finance Officer and Field Officer monitor and document performance against budget, project description and work plan, as well as control the release of resources through on site assessment of progress, activities of implementation by partners are also monitored.		Comprehensive reporting system to record progress and results on project implementation; findings are reported through the normal management and reporting process.
UNICEF	YES	Evaluation and Research Office (under Deputy Executive Director)	◦ D-1 ◦ 6 Professionals (5 consultants)	◦ Develop systems and guidelines for programme/project evaluations and monitoring (incl. manuals)	Regional Monitoring and Evaluation Officers based in Regional Offices report to Deputy Regional Director	
UNITAR	NO			Finance and Programme	Report to the General Assembly is approved by the Board of Trustees	

	INTEGRAL MONITORING UNIT	UNIT IN CHARGE OF MONITORING	◦ LEVEL OF HEAD OF MONITORING ◦ # PROFESSIONAL STAFF POSTS (excluding Head)	SCOPE OF MONITORING	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR MONITORING FINDINGS
UNOPS	NO	1) UNOPS Business Plan: Division for Planning, Policy & Information (PPI) 2) Financial/Administrative Monitoring: Division of Finance	◦ 1 Assistant Director for each division ◦ PPI: 2 Professionals, Division of Finance: 4 Professionals	On-site financial and administrative monitoring of 9 large projects in 10 countries in 1994 and of 10 projects in 4 countries in 1995. **Scope**: PPI: monitoring and assessing compliance with UNOPS business plan and progress of activities Division of Finance: monitoring and assessment of compliance with financial/administrative rules and procedures as well as with delegated authority (if any) by UNOPS personnel, both at HQ and on projects.	Assistant Directors report to Executive Director.	UNOPS Executive Director is responsible for initiating and supervising actions deemed necessary/recommended in findings.
UNRWA	NO	1) Supervisors at different levels 2) Internal Audit Office		Supervisors ensure implementation of approved programmes and policies under their organizational control; Internal Audit Office ensures compliance with regulations, rules, directives and standing instructions.		
UNU	NO					
WFP	YES	Regional Bureaus at HQ		Field offices might have specifically recruited staff for monitoring or use their own staff, on-site monitoring often performed by government officials, NGOs or UN volunteers, general monitoring at HQ by desk officers and staff Regional Bureaus.	Country Offices report to HQ Regional Bureaus, Regional Bureaus report to Directorate of Operations Department (exceptionally to its DED or Director Operational Management and Programming Division).	**Internal**: For development activities, the Regional Bureaus circulate Country Office Project Reports to Operational Management and Programming Division (OM); for relief operations the Weekly Telex and the Food Availability Status Reports and the Situation Reports are furnished and circulated internally and to UN agencies, NGOs, other international organizations and donors. **External**: Issues arising from monitoring activities are contained in Executive Directors Annual Report and occasional papers to WFP's governing body.

Table 4

INSPECTION FUNCTION

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	INTEGRAL INSPECTION UNIT	◦ INSPECTION UNIT ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF INSPECTION UNIT ◦ # PROFESSIONAL STAFF POSTS (Excluding Head)	SCOPE OF INSPECTIONS	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS
ITC	NO	[OIOS]		In-house inspection functions is integrated into project evaluation function.		
UNCHS/ Habitat	NO	[OIOS]				
UNDCP	NO	◦ 1) PSS 2) Central Monitoring and Inspection Unit, OIOS 3) HQ and field staff jointly		Internal inspections of specific locations, projects or activities can be jointly conducted by HQ and field staff; all inspections are carried out in cooperation with OIOS and USG for Administration and Management.		Findings are reported to the Deputy Executive Director, Division for Treaty Implementation and Support Services, who reports to Executive Director of UNDCP.
UNDP	NO	◦ Division for Audit and Management Review	Refer to Annex II-Table 1	Addresses inspection concepts and issues in the context of its management audits.	Refer to Annex II-Table 1	Refer to Annex II-Table 1
UNEP	NO	[OIOS]				
UNFPA	NO	◦ UNFPA Internal Audit Section	Refer to Annex II-Table 1	Addresses inspection concepts and issues in the context of its management audits	Refer to Annex II-Table 1	Refer to Annex II-Table 1
UNHCR	YES	◦ Inspection and Evaluation Service (in the Executive Office of the High Commissioner) ◦ March 1995	◦ D-2 ◦ 4 Professionals	Inspections to over 30 countries. **Scope**: Assessment of UNHCR operations and review of UNHCR impact in given countries and areas, focusing on internal and external factors deemed essential to the effective and efficient achievement of organizational objectives.	Inspection and Evaluation Service reports directly to High Commissioner.	**Internal**: Recommendations and conclusion are presented to High Commissioner for decision and follow-up, reports are distributed to Senior Management Committee and concerned Representatives, managers at HQ and in countries concerned. **External**: UNHCR has established a database and a follow-up mechanism to monitor compliance with recommendations. Annual report to Executive Committee, entitled 'UNHCR Inspection and Evaluation Activities'; Standing Committee considers 'Reports relating to oversight'.
UNICEF	NO	◦ Office of Internal Audit		Office operates under three year "rolling" workplan.	Office of Internal Audit reports to the Executive Director.	In addition to reporting through audit reports and annual reports which contain major findings, common and/or recurring observations are circulated to all heads of offices.
UNITAR	NO	[OIOS]				

	INTEGRAL INSPECTION UNIT	◦ INSPECTION UNIT ◦ YEAR ESTABLISHED	◦ LEVEL OF HEAD OF INSPECTION UNIT ◦ # PROFESSIONAL STAFF POSTS (Excluding Head)	SCOPE OF INSPECTIONS	REPORTING LINES	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS
UNOPS	NO	◦ Project Services Audit Section/DAMR	Refer to Annex II-Table 1	Addresses inspection concepts and issues in the context of its management audits.	Refer to Annex II-Table 1	Refer to Annex II-Table 1
UNRWA	NO	◦ 1) Audit Office 2) Officers of respective Programme		Audit Office inspects compliance with prescribed procedures and standards. Officers may conduct inspections of programmes and support services for which they are responsible.		
UNU	NO	[OIOS]				
WFP	YES	◦ Office of Inspection and Investigation ◦ July 1995	D-1 1 Professional		OEDI reports directly to Office of Executive Director.	OEDI submits reports to Directors concerned, incl. Executive Director and Deputy Executive Director (if their attention is required).

Table 5

INVESTIGATION FUNCTION

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	INTEGRAL INVESTIGATIONS UNIT	INVESTIGATIONS UNIT	MECHANISM FOR REPORTING ALLEGATIONS OF WASTE, FRAUD AND MISMANAGEMENT	INTERNAL AND EXTERNAL REPORTING PROCEDURES FOR FINDINGS
ITC	NO	Division of Administration	--	--
UNCHS/ Habitat	NO	Investigative panel appointed by Executive Director	a) Internal mechanism with participation of management. b) Joint Disciplinary Committee, reports to UN/DAM (ST/AI/371 of 2 August 1991).	--
UNDCP	NO	Chief of Programme Support Services	Internal mechanism with participation of management.	--
UNDP	NO	Division for Audit and Management Review	Internal mechanism with participation of management.	Refer to Annex II-Table 1
UNEP	NO	Executive Director or units/individuals appointed by the Executive Director	Internal mechanism with participation of management.	At discretion of the Executive Director.
UNFPA	NO	UNFPA Internal Audit Section	Internal mechanism with participation of management.	Refer to Annex II-Table 1
UNHCR	NO	Office of the Controller	Internal mechanism with participation of management.	Immediate and automatic notification of Internal Audit; reports are accumulated at Division of the Controller and Management Services and reported once a year to External Auditors.
UNICEF	NO	Office of Internal Audit	Internal mechanism with participation of management.	Comptroller reports on cases that are covered in audit reports to Board of External Auditors.
UNITAR	NO	[OIOS]	[OIOS]	[OIOS]
UNOPS	NO	Project Services Audit Section/DAMR	Internal mechanism with participation of management.	Refer to Annex II-Table 1
UNRWA	NO	1) Audit Office 2) Boards of Inquiry	Internal mechanism with participation of management.	--
UNU	NO	--	Reports are directed to the Rector.	--
WFP	YES	Office of Inspection and Investigation	Internal mechanism with participation of management.	OEDI submits reports to Directors concerned, incl Executive Director and Deputy Executive Director (if their attention is required).

Annex III

INTERNAL COORDINATION OF EXISTING OVERSIGHT FUNCTIONS

UNITED NATIONS OPERATIONAL FUNDS AND PROGRAMMES

	COORDINATION OF EXISTING OVERSIGHT FUNCTIONS
ITC	Audit function is coordinated by Division of Administration. Monitoring and Evaluation functions are coordinated by Corporate Strategy and Quality Assurance Section.
UNCHS/ Habitat	Internal coordination is carried out by administration.
UNDCP	The Deputy Executive Director and Director, Division for Treaty Implementation and Support Services is the focal point for audit, monitoring and investigation functions.
UNDP	Division for Audit and Management Review coordinates with Office of Evaluation and Strategic Planning through information exchange.
UNEP	Director of Programme Support Services liaises with respective UNON units.
UNFPA	Executive Committee (includes all senior management).
UNHCR	Audit Committee.
UNICEF	Informal coordination.
UNITAR	Informal coordination.
UNOPS	Informal coordination.
UNRWA	Informal coordination.
UNU	Informal coordination.
WFP	Periodical meetings of Director of Auditing (OEDA) and Director of Evaluation (OEDE); Audit Committee.

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Annex IV

RESULTS OF CONSULTATIONS HELD PURSUANT TO PARAGRAPH 11 OF GENERAL ASSEMBLY RESOLUTION 48/218 B

Organization	Governing Body	Date of discussion	Result of consultation
ITC	Joint Advisory Group (does not deal with administrative and budgetary matters)	--	Endorsement by Executive Director
UNCHS/ Habitat	Commission on Human Settlements	June - December 1996	Mail poll among 58 members of Commission; responses from Gambia, Italy, Kenya, Russian Federation, United Kingdom; Issue was also raised on 6 August 1996 with Committee of Permanent Representatives
UNDCP	Commission on Narcotic Drugs	24 April 1996	Commission took note of the draft report without comment
UNDP UNFPA UNOPS	Executive Board	29 March 1996	Result of discussion is reflected in the report of the second regular session of the Executive Board (DP/1996/17)
UNEP	Governing Council	April - December 1996	Informal consultations with members of Governing Council; responses from Italy, Spain, United Kingdom, Zaire
UNHCR	Standing Committee	June 1996	Decision by Standing Committee
UNICEF	Executive Board	12 April 1996 20 June 1996	Results of discussion is reflected in the reports of the second session and of the annual meeting 1996 of the Executive Board (E/ICEF/1996/12 (Part II) and (Part III))
UNITAR	Board of Trustees	2 May 1996	Board of Trustees "approved the description of functions, tasks and mechanisms to help UNITAR in abiding by the system-wide requirements of the new Internal Oversight Mechanisms in Operational Funds and Programmes"
UNRWA	Advisory Commission[1]	4 March 1996	Advisory Commission was briefed and received copies of draft report; no comments have been made.
UNU	Council of the University	2-6 December 1996	Committee on Finance and Budget of the Council considered the draft report; no comments have been made.
WFP	Executive Board	29 May 1996	Executive Board took note of draft report.

[1] In lieu of the General Assembly